Protecting What Matters Most for Ontarians

2020 PRE-BUDGET SUBMISSION

Council of Ontario Construction Associations

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The Council of Ontario Construction Associations (COCA) is a federation of 29 construction associations representing more than 10,000 general and trade contractors operating in the industrial, commercial, institutional and heavy civil segments of the construction industry, working in all regions of the province and who employ approximately 400,000 workers. COCA is committed to working with decision-makers at Queen's Park to ensure that Ontario's legislative and regulatory environment supports success in the construction industry and prosperity across the province. COCA is the largest and most representative voice for the non-residential construction industry in Ontario.

To attract new investments that will create increased employment and economic growth to protect what matters most for Ontarians, COCA believes that the Government of Ontario can improve the business climate in the province in the following four important ways:

1. Improving the province's workers' compensation system
2. Investing in public infrastructure maintenance and expansion; Delivering Fully on the Planned Infrastructure Program
3. Providing Clarity in Community Benefits Clauses
4. Developing a New Skilled Trades and Apprenticeship System

1. Workers' Compensation System Improvements

a. Ministerial Oversight of the Workplace Safety and Insurance Act

The WSIB is among the very largest group insurance schemes in North America. Worker's compensation systems are extremely complex. Understanding the Workplace Safety and Insurance Board requires significant financial and actuarial expertise. The Ministry of Labour Training and Skills Development does not have the necessary financial and actuarial expertise for competent oversight. The ministry oversight of the WSIA should be transferred to the Ministry of Finance, which is better equipped for this responsibility.

b. WSIB Funding Policy

The WSIB has engineered a remarkable financial turnaround, the unfunded liability has been eliminated, and the current funding level stands at approximately 110%. However, in this post-unfunded liability situation, the WSIB has no funding policy. We believe that the WSIB should always target to be at least 100% funded. However, there are externalities beyond the control of the WSIB that can impact the funding level. For example, there will be times when employment falls unexpectedly, and assessed payroll doesn't meet the WSIB's projections, creating a deficit on operations. There could be times when the financial markets recede, and the WSIB fails to meet its investment target.

We recommend that a funding policy be established that defines an ongoing funding corridor of between 95% and 110% in which the funding level can fluctuate without the need to adjust the ratesetting calculations. When the system is funded beyond the upper limit, there should be a mechanism through which the WSIB can return monies to employers. When it falls below 95%, premium adjustments should be made.

c. Eliminate the 72 Month Lock-In Provision

The 72-month lock-in benefit allows injured workers who have been off work for 72 months as a result of a workplace injury to have their benefits "locked-in" after 72 months duration. As a result of this provision, in many cases, injured workers do whatever they possibly can to stretch it out to 72 months to have their benefits locked-in. Once their benefits are locked-in, the workers are absolved of any return to work obligations. A study conducted by the Institute for Work and Health revealed that workers that receive 72-month lock-in benefits are, on average, being overcompensated. This was not the intention of the government that established the 72-month lock-in provision. Ontario is the only jurisdiction that provides this benefit. We strongly recommend that the 72-month lock-in provision be abolished.

2. Infrastructure Investment

To participate effectively in the dynamic global economy of today and compete for the investments that are the foundation of job creation and growth, Ontario must have modern transportation infrastructure to get goods to markets and people to work efficiently. The province must also have up-to-date social infrastructure to support a way of life that is attractive to investors from around the world, and that fosters a highly productive workforce. We encourage the government to deliver fully on its $14.7 billion commitment for fiscal 2019-20 and on its planned $144 billion investment over the next ten years. The government must continue to must make significant investments in the renewal and expansion of Ontario's public infrastructure.

3. Community Benefits Clauses

Increasingly governments are using their procurement of construction services to achieve certain social policy objectives. This blending of construction procurement with social policy objectives is referred to as social procurement or "community benefits". In Ontario, contracts for public infrastructure projects sometimes include community benefits clauses that oblige contractors to engage a specific number of apprentices or to hire a certain number of workers from underserved populations. In other jurisdictions, contractors have been asked to contribute an unspecified public good at no cost, e.g. a park, a fence, an arena. Community benefits clauses in Ontario government construction projects must be explicitly defined and must be voluntary and aspirational; hard quotas must not be considered.

4. Skilled Trades and Apprenticeship System

The government has committed to disbanding the Ontario College of Trades and replacing it with a more modern and efficient skilled trades and apprenticeship system. The development of a modern and efficient skilled trades and apprenticeship system must be a high priority of the government to ensure that Ontario has the workforce to meet the demands of today and tomorrow. Schedule 40 of Bill 100 presented a framework for a new system, but little progress has been made since the Bill’s passage. We urge the government to work with stakeholders in the development of a new skilled trades and apprenticeship system that addresses the needs of the labour market, the various trades that may have differing requirements, apprentices, journeypersons and the employers that employ them. The new system must attract a significantly greater number of apprentice applicants, and we are impressed with the government’s initiatives to promote the fulfilling careers in the skilled trades to students and their parents. These efforts should be backed up with more funding for the apprenticeship seat purchase program to make more spaces available at training delivery agencies. The application process must be made simpler with a single point of entry. Higher apprenticeship program completion rates must be achieved. Only qualified applicants, individuals who stand a chance of completing, should be accepted into apprenticeship programs. Apprentices, journeypersons and their employers must be provided with the supports they need to play active roles in apprentices’ training and to ensure success. Training delivery agents and employers of apprentices must be held accountable for the contributions they make to apprentices’ learning and completion.

Closing

In closing, COCA believes that the adoption of these recommendations will better position Ontario to protect what matters most for Ontarians, to attract new investment, job creation and economic growth and create broader prosperity across the province.

Our membership greatly appreciates this opportunity to provide our advice. Thank you.

Sincerely

Ian Cunningham

Ian Cunningham
President